

REPORT

of

Executive Officers—Executive
Council—Departments

and

Standing Committees

of the

MASSACHUSETTS
STATE LABOR COUNCIL
AFL-CIO



Twenty-Second Convention
September 25, 26, 27, 28, 1979

BOSTON, MASSACHUSETTS



DEDICATION

For their many years of service to the labor movement, we dedicate this years Annual Report to:

Our Retiring President William J. P. Cleary



Our Retiring Secretary-Treasurer James P. Loughlin



OFFICERS

WILLIAM J. P. CLEARY, *President*
ARTHUR R. OSBORN, *Executive Vice President*
JOHN W. PRENDERGAST, *Ex. Vice President*
JAMES P. LOUGHLIN, *Secretary-Treasurer*

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Carol A. Drew	Edward F. O'Neil
Joseph Faherty	Richard R. Rodwell
Manuel Fernandes	Clifton E. Sommers
Eileen Flynn	Donald Soule
Richard C. Gill	Joseph J. Sullivan
Horace A. Hamilton	Frank Talarico
Henry J. Khoury	Michael Tarallo
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Edward Wall

DEPARTMENTS

William A. Cashman *Legislative Director*
John A. Callahan *COPE Director*
Bertram C. Farnham *Public Relations Director*

Executive Officers' Report

To the Officers and Delegates of the Twenty-Second Annual Convention of the Massachusetts State Labor Council, AFL-CIO.

GREETINGS:

As we convene for our Twenty-Second Annual Convention we believe that all of you will agree with us, as stated at the beginning of our last convention, that we are just ending a year between conventions which leaves us with the feeling that "we have been held practically at a standstill in our quest for implementation of organized labor's major goals."

Yet, despite the lack of widespread publicity or fanfare about it, all members of your Executive Council as well as the Council's staff have worked constantly and without respite to keep all of organized labor in the forefront of the struggle to meet unprecedented challenges and to keep the working people of Massachusetts united in the ongoing efforts to keep the entire country from plunging needlessly into a catastrophic economic collapse.

There is no doubt that as of this very moment there is no greater problem facing the American people than the so-called energy crisis — not only because of auto fuel shortages and the high cost of gasoline but because of the specific threat that home heating oil will be in short supply this winter and that its cost will soar beyond the reach of the average working family.

Your State Council and its Executive Officers have participated throughout the year in all activities, nationally and statewide, pertaining to the energy crisis. President Cleary attended the Energy Conference in Washington early in the year and, on March 26, he and others were at an energy session sponsored by the Council and the Americans for Energy at Harvard Business School. Also, Secretary-Treasurer Loughlin, accompanied by State Council President Policastro of Rhode Island and State Council President Dorsky of Maine went to Washington to discuss the Lincoln-Dickey project with Congressional leaders but were told by many Senators that the oil companies, the most powerful lobby in existence, were laughing at them.

It was in March also that Vice President Soule, who is labor's representative on Governor King's 4-man advisory board for the Coalition of Northeast Governors, which was set up nearly three years ago without the participation of New Hampshire and Maine, reported to the Council that the Coalition was reluctant to discuss the energy problem. He believed that the governors of the area were fearful of getting involved in the controversies, still rampant, over the building of nuclear power plants. He pointed out, however, that the Northeast Alliance, an offshoot of the Coalition, on which a representative of the Teamsters, IUE's Peter DeCicco and five other labor leaders are serving, was more active than the

Coalition itself and was doing everything it could to improve relations between business and labor.

As this report is being prepared to meet our printer's deadline, the news about the energy crisis remains disturbing and much of it outright confusing. There is, however, no longer any doubt that the American people have been ripped off by the oil cartels and that the oil companies have realized unprecedented excessive profits at the expense of all Americans. And the latest news at the time this is being written is that while full responsibility for our energy crisis is still being laid on OPEC nations, President Carter has personally approved the sale of \$47 million worth of kerosene and diesel fuel to Iran, perhaps the most responsible among OPEC nations for the uncalled for increases in the price of the crude oil they export.

The subject of this energy crisis will be brought up for discussion during this convention and we want to urge every delegate to be in the convention hall during these discussions.

Another important issue in which your Council and its Executive Officers have played an active role was Question 1, which revolves mostly around the subject of taxes.

At the first meeting of the Council following our last Convention, the question came up as to whether we should continue to work with a group called the Coalition on Question 1, consisting of the Mayors Association, Fair Share, the Catholic Church, Veterans organizations, Senior Citizens groups and others. It was decided we should, even if only to have veto power on decisions with which we disagreed, such as tax proposals leaning toward acceptance of increases in the sales tax. Offering early in the year to work closely with Governor King on Question 1, the Council made it clear that the working families of Massachusetts remained as adamant as ever in their opposition to any change in the sales tax that would make it more costly to them.

Details and an analysis of what happened on Question 1, along with a full account of how a decreased House of Representatives and a State Senate under new leadership dealt with the 31 bills filed for 1979 by the Council will be found in the report of Legislative Director Cashman elsewhere in these pages.

The Council has continued, of course, to conduct its Annual Scholarship program, its participation in the Harvard Trade Union Fellowship program and its COPE activities. What was done in these areas since our last convention has been covered thoroughly in the several reports prepared for this book by our COPE and Education Director, John A. Callahan.

We would like to comment, however, on the greater stress that must be put this year on COPE activities in order to be prepared for 1980, which may well turn out to be the most important election year since 1932, when Franklin D. Roosevelt was chosen by the American people to lead them out of what appeared to be a hopeless economic mess.

When President Cleary attended a National COPE Conference in Florida early this year, he reported to the Council that fear was already being expressed that more labor-oriented U. S. Senate seats would be lost in 1980. He reported also that there was serious talk about the possibility that President Jimmy Carter would be a one-termers. At this time, with all signs, such as what is happening at the Quincy Shipyard in this state and to the Chrysler Corporation throughout the country, indicating that the country cannot avoid very bad times next year, we firmly believe that organized labor must be prepared to play a leading role in guiding the American working people in their search for a new Commander-in-Chief and a new crew to man our Ship of State. We may have to be navigated out of dangerously stormy seas during the next decade.

That is why it is absolutely essential for this convention to be conducted democratically and in complete harmony. As you all know, your incumbent president and your secretary-treasurer have both decided not to seek reelection. We strongly urge that all candidates and their supporters among the delegates regard each of their opponents as friends and co-workers so that when the results of the elections are announced there will be no bitterness and certainly no rifts in the ranks. Unity and solidarity will be needed next year as never before.

In closing this report we want to express our sincere thanks to all the vice presidents of the Council, to all of our office staff, to the officers and members of all our affiliated unions and to all regional and area councils who have worked and cooperated with us during the past year.

Respectfully Submitted

William J. P. Cleary, *President*
James P. Loughlin, *Secretary-Treasurer*
Arthur R. Osborn, *Exec. Vice President*
John W. Prendergast, *Exec. Vice President*



Report of Secretary-Treasurer

To the Officers and Delegates to the Twenty-Second Annual Convention of the Massachusetts State Labor Council, AFL-CIO.

GREETINGS:

While this report is being submitted to this Convention in accordance with Section 3, Article VI, of the Constitution of the Massachusetts State Labor Council, AFL-CIO, I wish to open with a few remarks that do not, as in past convention reports I've submitted, have anything to do with the financial status of the Council during the past fiscal year.

As you all know by this time, I will not be seeking reelection to the office of Secretary-Treasurer, which I have now held for seventeen years. Although the decision to change the course of one's life at any point in a given career may be difficult to make at times, it is also a fact of life that nothing in this world is absolutely permanent and that changes do occur in every individual's lifetime.

I have only to look back on my own working career — which began fifty-one years ago when I was hired as an apprentice carpet weaver by the Whittall Mills in Worcester — to realize how inevitable are some of the changes in our lives. The year 1928 was to be followed by one in which the crash on Wall Street would launch the infamous depression of the early Thirties. So it was perhaps a sign of the times that the management of the Whittall Mills imposed two successive ten percent cuts in the wages of its employees. I was chosen to serve on a committee that would talk to the owner of the plant about restoring the cuts. This was to be my first experience as a spokesman in collective bargaining.

Although the textile industry was one of the largest in Massachusetts at that time, the Whittall Mills closed its doors shortly after we had talked with Mr. Whittall, forcing its employees to make changes in their lives. From there I went to work as a bartender and became a member of the Brewery Workers Union, Local 136. Soon I was called upon to serve as secretary-treasurer of the local and found myself launched into a union career that would bring other changes in my working life but never any change in my conviction that organized labor must never falter in its drive to make life better for all working people.

Changes in the course of a lifetime are sometime brought about by circumstances beyond any individual's control. I certainly had nothing to do with the Japanese attack on Pearl Harbor in December of 1941 but it was because of it that I enlisted in the United States Navy and served a stretch in the Pacific theater of war. When I returned from the service I joined Local 95 of the Hotel, Restaurant and Bartenders Union and was subsequently elected secretary-treasurer and business manager of the local.

Shortly after assuming that position, I was elected at an annual convention as vice president on the former Massachusetts Federation of Labor and continued to serve in that capacity on the new Massachusetts State Labor Council, AFL-CIO, after the merger of 1958. Four years after the merger, when former Secretary-Treasurer Kenneth J. Kelley was called to a government job in Washington during the John F. Kennedy Administration, I was selected to succeed him in the office I am now leaving.

However, in making this change in the course of my life, I assure you that my personal interest in what organized labor can and must do for the working people of America has not and will not diminish one iota. I fully realize that the challenges the trade union movement — particularly its political arm — faces next year will demand the greatest concerted effort ever launched by organized labor — and that no one with the long years of experience and active participation I have known can just fade away and drop out of sight. I will continue to work with all of you whenever called upon — and I want to assure whoever succeeds me in this office that I will do everything required of me to make the transition as smooth and effective as possible.

Now to return to the basic purpose of this report, which is to comment on the finances of the Council, let me first refer you to the Audit on the last pages of this book, which was prepared by the firm of M. G. Sherman of Boston.

If you look at the Statement of Revenue Collected and Expenses Paid for the Year Ended June 30, 1979, you will note that the amounts collected and the amounts paid out differ in many respects from those listed for the same items in the Audit submitted last year. For instance, the amount collected from per capita tax, for both the COPE and General Funds, was \$370,482.84 in the 1978 report. This year the amount is \$430,820.53. We met with some losses and some gains from our other sources of income but the total reached \$463,637.98 this year compared to \$411,347.78 last year.

Although inflation and rising costs had its effect on our organization the same as on any other enterprise, bringing our total expenses to \$408,612.15 as compared to \$380,710.63 last year, we did manage to increase our net worth by the end of the fiscal year from \$129,465.82 last year to \$184,491.65.

As you all know, I have constantly worked since I took over the office to bring in new affiliations and to have every affiliated locals pay on full memberships. These efforts were often discouraging but in many instances did bring results to make the Council stronger and more influential. Looking over the minutes of our regular meetings from our last convention to the end of the fiscal year, I find that we took in 12 new affiliations with 987 members, 25 locals increased the number of members they paid on by 9,773, 2 locals brought in 2,600 members through reaffiliation, and 12 locals paid back dues on 6,526 members. During that period, only 9 locals with a total membership of 287 withdrew from the Council. I strongly urge my successor and all of you to continue to work diligently to build up the strength of your Council to its full potential. All the strength you can muster will be desperately needed in the next decade. And for those who sometime express skepticism about the need for or

the effectiveness of a strong labor movement, let me quote from a speech delivered at a Boston Labor Council Labor Day Breakfast ten years ago by one of organized labor's staunchest friends, former State Senate President Maurice A. Donahue.

“As long as there exists a lack of decent jobs for able-bodied workers willing to work . . . as long as poverty, hunger and malnutrition continue to plague millions of our fellow Americans . . . as long as millions of American families are condemned to live in indecent, inadequate, sub-standard homes . . . as long as educational opportunity is abridged or denied to millions of otherwise qualified young men and women in America because of adverse economic circumstances . . . as long as competent medical and health care remain beyond the financial reach of millions of Americans . . . as long as racial and religious discrimination make a mockery of our profession of equal opportunity and equal treatment for all . . . as long as greed, exploitation, injustice and inequality are permitted to mar the fabric of our free society by denying to any American the opportunity to share in the glorious promise of American life, there shall be need for a strong trade union movement.”

Let me close on this note along with my sincerest thanks to all officers of the Council, all our department heads and our office secretaries, and to the officers and members of all our affiliated local unions for their friendship and consistent cooperation throughout the seventeen years I have served them in the office of Secretary-Treasurer.

Respectfully submitted,

James P. Loughlin, *Secretary-Treasurer*



DEPARTMENT REPORTS

REPORT OF THE LEGISLATIVE DEPARTMENT

BY: William A. Cashman, *Legislative Director*

As this report is being prepared, the Legislature of 1979 is preparing to prorogue.

We filed 31 pieces of legislation at the request of our affiliated unions. With reduction in size of the House, a "breaking in" period was necessary for the many new Representatives and Senators to adjust to their new assignments.

Early in the year we assisted in the filing of the "plant closing bill", Senate 127. This bill was heard, and later put into a study. I would suggest that the bill be re-filed in the 1980 session.

We were successful in obtaining for the M.B.T.A. middle management unions a fair and fast settlement of their cost of living raises which were denied under law by the action taken in 1978. This became Chapter 298 of the laws of 1979.

We were successful in passing a law preventing the telephone company from charging for directory assistance. This legislation had to be enacted over the Governor's veto.

The "successorship bill" has passed both House and Senate, but at this moment was recalled to the Senate. We have applied pressure to put it back on the Governor's desk.

The "Bottle and Can" legislation was saved by the courageous action of Governor King. His veto of this measure was heavily criticized by the media and environmentalists. Great credit must go to the unions and their leadership connected to the bottle and can industries. They conducted their efforts, and co-ordinated their strategy skillfully to convince Governor King that their jobs were at stake.

The Hospital Workers bill which would prohibit the use of the State or Federal funds for anti-union consultants. This bill is now in Senate Ways and Means and Senator Atkins has said that he will report it out favorably.

The "tip credit bill" was reported out of committee favorably. A redraft was not acceptable to the Hotel & Restaurant Workers Union. This bill as amended is now in Bills in Third Reading.

Prevailing wage legislation filed by the Building Trades Unions is in the Senate awaiting action by the Committee on Ways and Means. We were also successful in saving the legislation prohibiting quotas for insurance agents. This legislation was "separated in part" and was engrossed in the Senate.

The bill to select Housing authority members from a list submitted by the local Labor Council, AFL-CIO was favorably reported out of Committee and is waiting for action on the house calendar.

Senate 138 which orders medical benefits be given by a single member of the Industrial Accident Board is on the Governor's desk for his signature.

Senate 621 legislation that would allow an employee to purchase hospitalization plans at the group rate if he is laid off was reported favorably and is being discharged from Bill in third reading. Its new number is House 6655.

Legislation affecting the payment of prevailing wages in the utility industries seems stalled in the Contracts Commission.

In closing I wish to thank all those officers and members of the local affiliates for their co-operation and assistance in the past year.

I believe that we have made solid gains this past year. It seems to me that the efforts of Speaker Thomas McGee and Senate President William Bulger in our augurs well for the workingmen and women of Massachusetts.

Sincerely and Fraternally,

William A. Cashman, *Legislative Director*
Mass. State Labor Council, AFL-CIO

REPORT OF COPE AND EDUCATION DEPARTMENT

BY: John A. Callahan, *Director*

At the Executive Council Meeting of December 14, 1978, I reported that 69% of the electorate voted in the recent general election. Senator Brooke received 45% and Congressman Tsongas received 55%. All endorsed Congressional Candidates were elected. All Constitutional Officers endorsed were also elected.

Of the 21 endorsed candidates for State Senate 19 were elected.

Of the 53 endorsed candidates for State Representatives 51 were elected.

The Massachusetts State Labor Council, AFL-CIO, participated in a COPE Meeting which was held on July 20th.

On August 10, 1978, Mr. Barkan of National COPE was notified of Congressional endorsements.

Endorsed candidates were notified by mail.

On September 8, 1978, a letter was mailed to all affiliates regarding their support of Senator Brooke's candidacy.

A second meeting was held on September 28, 1978 – Election endorsement results.

October 2, 1978, a mailing was sent to all affiliates regarding election endorsements and the endorsement of Senator Brooke.

October 11, 1978, Breakfast Meeting with Edward King at Parker House.

October 12, 1978, Luncheon Meeting with Nicholas Mavroules at Kings Grant Inn, Danvers, Mass.

October 23, 1978, Luncheon Meeting with James M. Shannon at Speare House, Lowell, Mass.

October 25, 1978, Luncheon Meeting with Edward King and Congressman Joseph Early, Eden Restaurant, Worcester, Mass.

October 5, 1978, successfully endorsed candidates were notified by mail.

October 19, 1978, mailing to all affiliates with letter regarding voting plus Hatch Voting Record and list of endorsed candidates.

October 26, 1978, 24,000 letters on Brooke were mailed.

A National COPE Meeting was held at the Airport on December 4, 1978 — the evaluation of the 1978 election was discussed. Also discussed was the preparation for 1980 — telephone banks, computer programs, support groups, etc. There will be another National COPE Meeting after February 26, 1979.

On May 3, 1979, National COPE held a meeting in Boston. There was discussion regarding the Budget and the prognosis for the 1980 Presidential Election as well as the prognosis for the 1980 Congressional Election. There was also a discussion about Payroll Check-Off for COPE.

On May 11, 1979, there was a meeting with National COPE Officers and Madeline Matchko of National COPE relative to Data Processing.

The Massachusetts State Labor Council, AFL-CIO is recorded in favor of H 5269 — Check-Off instead of Add-On — for financing State-Wide Elections. This action taken at the June 14, 1979, Council Meeting.

Attended meeting of New England Council, AFL-CIO, at Portland, Maine on June 19, 1979, with Mr. William A. Cashman, Legislative Director of Massachusetts State Labor Council, AFL-CIO. Six (6) New England States and N.Y., N.J., and Penna.

Discussion of "Coneg" and Labor's participation in Coalition. Labor Representatives should be chosen on basis of group he or she represents and not political activist on behalf of sponsor.

Gas and energy discussion led to suggestion to Nationalize oil companies. NOTE — not a resolve as media stated — just a suggestion to National AFL-CIO.

Report on "Right-To-Work activities". Maine — N.H. — Vermont. Different pattern and tactics used in respective States. Formula in N.H. would not apply in other States.

Report on progress or lack of progress on Dickey-Lincoln. Report on position of N.E. Congressional Delegation voting on Dickey-Lincoln. Not in accord with assessment of Massachusetts Delegation by speaker —

So Stated —

Finalization by Director John F. O'Malley, AFL-CIO

Meeting adjourned at 3:00 p.m.

GOMPERS-MURRAY EDUCATIONAL INSTITUTE

The Gompers-Murray Labor Institute was conducted on June 7-8, 1979, at the Massachusetts Maritime Academy, Buzzards Bay, Massachusetts. Moderators for the Institute were: Paul J. Melody, President of Utility Workers of America, Local #369; John F. O'Neil, Assistant B.A. and Apprentice Co-Ordinator for Boston Cement Masons and Asphalt Layers, Local #534 and Corrine Zenga, President of I.B.E.W., Local #2313. The program included: Conferees welcomed by COPE and Education Director John A. Callahan and William J. P. Cleary, President of the Mass. State Labour Council, AFL-CIO. The conferees were also given a warm welcome by Capt. James F. Burke, Dean of Admissions of Mass. Maritime Academy. Panelists for the morning session were: William A. Cashman, Legislative Director of Mass. State Labor Council, AFL-CIO and Timothy F. Cleary, Chairman of O.S.H.A. Review Commission.

Luncheon speakers were Frank Myers, Staff Rep. of Regional AFL-CIO and Rev. Fr. Mortimer H. Gavin, S.J., Director of Institute of Industrial Relations, Archdiocese of Boston, Mass.

The afternoon panelists were: The Honorable Foster Furcolo, Administrative Law Judge, U.S. Government; Thomas P. McKeown, Workmen's Compensation Advisor, U.S. Dept. of Labor and James P. Loughlin, Sec.-Treas. of Mass. State Labor Council, AFL-CIO.

The Gompers-Murray Dinner was held on Thursday Evening, preceded by a Social Hour.

The Annual Gompers-Murray Award was given to William H. McClennan, President of International Association of Fire Fighters. The Mass. State Labor Council Merit Award was given to Thomas E. Owens, Former B.A., Local Brewery Workers Union and International V.P. and Former V.P. of Mass. State Labor Council, AFL-CIO.

The featured speaker of the evening was John F. O'Malley, Regional Director of AFL-CIO, New England Region. A most informative talk on the successful effort to deter Right-To-Work activists in the States of Maine, N.H. and Vt.

Friday Morning Session included the following Panelists: Judge Bernard Cohen on Workmen's Compensation and Prof. Elizabeth Allison, Economist from Harvard University.

Finalization was given by Joseph P. O'Donnell of the Trade Union Program and Chairman of Education Committee, Mass. State Labor Council, AFL-CIO.

I am sincerely appreciative of the co-operation of the Central Labor Councils and Regional Director John F. O'Malley and his most able Staff during the past year.

REPORT OF COMMITTEE ON EDUCATION 1979

Members: Joseph P. O'Donnell, *Chairman*; John Casey, Ethel Fohrder, James Grande, Erika Pineault, Michael Tarallo and John A. Callahan, *Director*.

The Committee on Education met on November 28, 1978 – January 17, 1979 – April 5, 1979.

The meeting of April 5, 1979, finalized the program that had been subject matter at prior meetings for the Gompers-Murray Educational Institute to be held on June 7-8, 1979, at the Maritime Academy, Buzzards Bay, Massachusetts.

Mr. James Grande discussed the Labor Studies Program at Bunker Hill Community College and related matters.

The Committee selected Thomas F. Owens to be the recipient of the Massachusetts State Labor Council Merit Award for 1979.

Price monitoring was discussed and form reports forwarded to all Executive Council Officers.

In addition to regular meetings, informal meetings were held on occasion with the Chairman of the Committee.

Meeting adjourned at 11:55 A.M.

Respectfully submitted,

Joseph P. O'Donnell, *Chairman*

LABOR LAW DEVELOPMENTS DURING PAST YEAR

BY: Robert M. Segal, *Counsel for Mass. State Labor Council, AFL-CIO*

I. Introduction

Several decisions by the United States Supreme Court dominated the labor law field during the past year. These ranged from voluntary affirmative action in the *Weber* case to priority in hiring in public employment for military veterans in the *Feeney* case, which arose in Massachusetts. The Court also dealt with fair representation suits, unemployment compensation benefits for strikers, the lack of jurisdiction of the NLRB in the religious school area, the ban on solicitation in hospitals, and employment discrimination.

On a state level, the Supreme Court of Massachusetts handed down eleven decisions in the labor law field. Seven dealt with the public employment field, one concerned surety bonds in the public construction field, another concerned pregnancy benefits, while another concerned unemployment compensation benefits during a lockout, while the final one involved the use of the state trespass law against union organizers.

II. United States Supreme Court

In a case of importance to all unions, the United States Supreme Court in *Electrical Workers v. Foust*, 101 LRRM 2365, held that a union member is not entitled to punitive damages against a union which has breached its duty of fair representation. In this case, the union had failed to file a timely grievance on behalf of an employee and this negligence was found to be enough to breach the duty of fair representation. Although the union is not liable for punitive damages, the union is liable for the loss caused the individual by the union's breach of its duty of fair representation in failing to process the employee's grievance in a timely manner as spelled out in the labor contract or the law. This area of fair representation represents one of the major areas of litigation which confronts all unions at the present time.

In another very important decision, in *Kaiser Aluminum Corp. v. Weber*, 20 FEPP 1, the United States Supreme Court upheld voluntary affirmative action programs negotiated by the Steelworkers Union and the company. The labor contract provided for an on-the-job training program which reserved 50% of the available positions in the program for minority employees. Eligibility for the program was based on seniority, but because of the quota system a black employee was able to enter the program with less seniority than Weber, who claimed "reverse discrimination" in violation of Title VII of the Civil Rights Law. The Court upheld the program, even though there was no finding of prior discrimination by the Company, although there was, in fact, a glaring imbalance in the lack of skilled black craftsmen at the plant. The Court was careful to point out that no white workers were displaced or discharged from their jobs by the training program, which was a newly negotiated plan. Left open by the Court were such questions as quotas in a different setting, affirmative action in public employment, quotas ordered by courts and quotas causing discharges in the face of seniority clauses. At the same time, this case gives an impetus to

voluntary affirmative action programs negotiated by unions and private companies.

In a decision of major importance to all trust funds, the Court held in *Teamsters v. Daniel*, 100 LRRM 2260, that the pension plans do not come under provisions of the Securities and Exchange Act and its rules. Rather, pension, health and welfare and other fringe benefit funds are covered by ERISA (the 1974 Pension Reform Act) as well as the National Labor Relations Law, including the duty of fair representation.

In *Detroit Edison v. NLRB*, 100 LRRM 2728, 99 SCt 1123, the Court reversed the NLRB and held that a company does not have to turn over the standardized aptitude tests used by the Company in evaluating ability for promotions. The Court considered the employer's concern for the integrity of the testing process and for the confidentiality of its employees outweighed any compelling need by the union for the data for its arbitration case.

In a case which started in Massachusetts, the Court in *Commonwealth v. Feeney*, 19 FEP 1377 (June 5, 1979) upheld the Massachusetts statute giving veterans preference in public employment. The statute had been attacked by a woman who claimed it was a violation of the Equal Protection Clause of the Constitution. The Court held that the veterans' preference law was designed to help veterans and not to keep women out of the labor market, even though there is a disproportionate impact on minorities and women.

The Court also upheld the New York City Transit Authority's policy whereby persons who had undertaken methadone treatment could not be employed by the Authority. In *New York City Transit Authority v. Beazer*, 19 FEP 149, the Court held that the policy did not violate either the Equal Protection Clause or Title VII of the Civil Rights Law. Similarly, the Court in *Ambach v. Norwick*, 19 FEP 467, 99 SCt. 1589, upheld the New York law which forbid the employment in public schools of aliens who are eligible for United States citizenship but who have not shown any intent to apply for citizenship.

The Court in *Vance v. Bradley*, 99 SCt. 939, upheld a requirement in the Foreign Services Act of 1946 that employees in the Foreign Services retire at age 60, in contrast to the mandatory retirement at age 70 for all others in the Federal Civil Service at that time.

In *New York Telephone v. New York State Labor Department*, 100 LRRM 2896, 99 SCt. 1328, the Court upheld the New York unemployment compensation law which grants benefits to strikers after eight weeks. The company, whose rates of contributions went up because of experience rating, had challenged the law on the grounds of preemption. Based on the legislative history that the National Labor Relations Act and the Federal Unemployment Compensation Law were enacted at about the same time, the Court concluded that the intent of the State law was not to alter the balance of power of the parties during a strike or lockout.

In *NLRB vs. Catholic Bishop of Chicago*, 100 LRRM 2913, 99 Sct. 1313, the Court held that the NLRB did not have jurisdiction over a secular school operated by the Catholic Diocese. At the same time, the Court held in *Ford Motor Co. v. NLRB*, 101 LRRM 2222, that a company must bargain with the union over the price of food charged in an in-plant cafeteria and vending machine service operated by an independent supplier, for these are terms and conditions of employment, and therefore, mandatory subjects of bargaining. In *NLRB v. Baptist Hospital*, 101 LRRM 2556, 99 Sct. 2598, the Court also upheld the NLRB's ban on non-solicitation rules in hospitals, which barred union activity in the cafeteria, lobbies and gift shops of hospitals, but disagreed with the Board as to corridors and sitting rooms, and stated that hospitals could lawfully prohibit union activities in these two areas. This case extended the rule of the *Beth Israel* hospital case, which struck down a non-solicitation rule in a hospital's cafeteria and coffee shop.

The Arizona statute setting up a special and complex election procedure for migratory agricultural workers was upheld in *Babbitt v. United Farm Workers*, 101 LRRM 2428, 99 Sct. 1041. The troublesome problems of discrimination and quotas in the public employment field were avoided when the Court dismissed as moot the *County of Los Angeles v. Davis* case, 19 FEP 282, involving the hiring practices of the County's fire department; the majority in this case felt that the County had corrected the effects of the prior discrimination based on written tests and height requirements, which disqualified a disproportionate number of minority candidates.

A number of public sector cases were also decided by the Court. In *Givhan v. Western Line School District*, 18 FEP 1424, 99 Sct. 693, the Court upheld a teacher's free speech rights in situations where she makes the critical statements in private to her school principal. In *Dougherty County Board of Education v. White*, 99 Sct. 368, the Court held invalid a school board enactment requiring teachers to take a leave of absence if they became candidates for elective office. In a *per curiam* opinion in *Smith v. Arkansas State Highway Employees*, 101 LRRM 2091, 99 Sct. 1826, the Court held that it was not unconstitutional for a public employer to refuse to hear grievances filed by a union rather than by an employee.

III. Supreme Judicial Court of Massachusetts

At the state level, the Massachusetts court dealt with public employment, the bonding law, the trespass law, unemployment compensation and discrimination.

In *Peters v. Hartford Accident and Indemnity Co.*, 389 NE2d 63 (April, 1979), the Court construed Section 29 of Chapter 149 of the General Laws dealing with surety bonds for public construction work and held that the statute protects employees of all subcontractors on the project, including not only the employees of the first tier subcontractors but also the employees of the second and third and all other tiers of subcontractors on the public construction project. The Court stated that the purpose of the Massachusetts law was to

protect *all persons* on the job and that the mechanical lien laws of Massachusetts have a long history of "insuring security for all laborers working at a public project site." The Court distinguished its decision from the federal decisions which arose under the Miller Act, where the United States Supreme Court in *T. W. Bateson Co. v. U. S.*, 434 U.S. 586 (1978) held that the only employees protected in a federal project by the bond of the general contractor were the employees of the general contractor and of a subcontractor who contracts directly with the general. The decision by the Massachusetts court in the Local 17 Sheet Metal Workers case (*Peters*), along with the recent changes in the federal bankruptcy law which increases priorities for wages to \$2,000 per person and also includes fringe contributions, should help union trust funds, which, in the past, have suffered losses from bankruptcies as well as defaults by subcontractors.

In *Commonwealth v. Noffke*, 379 NE2d 1086 (August, 1978), the Court held that state trespass laws may be employed in prosecution of non-employee union organizers, and are not preempted by Section 7 of the National Labor Relations Act. An employer may prohibit non-employees from union solicitation on company premises unless inaccessibility of employees makes reasonable attempts to communicate with them ineffective. Prevention of such solicitation does not abridge state declaration of rights, since solicitation in a privately-owned area does not constitute state action.

In *School Committee of Brockton v. MCAD*, 386 NE2d 1240 (February, 1979), the Court held that the denial of sick leave privileges to women for pregnancy-related disabilities constitutes sex discrimination in employment under M.G.L. Chapter 151B, section 4. Although a union may waive statutory rights relating to collective activity such as the right to strike or other rights of a merely economic nature, certain other rights, which are individual, may not be waived. Evidence of increased costs generated by granting of pregnancy leave is inadmissible because it does not rise to the level of being a "business necessity." The Court stated that the mere fact that an employer may incur additional costs by ending discriminatory employment practices does not constitute a business necessity; the employer must establish that such discriminatory practice is vital to safe and efficient job performance.

In *Watertown Firefighters Local 1347 v. Town of Watertown*, 383 NE2d 494 (November, 1978), the Court reversed a Superior Court judgment enforcing "last and best" offer arbitration award insofar as it incorporated the union's demand that the Town pay more than the 50% insurance premium required under M.G.L. Chapter 325 § 15. However, the rest of the award was enforced, since the union was aware of the fact that their insurance proposal might be held invalid, but persisted in including it in its offer.

In *Marlborough Firefighters v. City of Marlborough*, 478 NE2d 437 (July, 1978), the Court also upheld part of the "final and best offer" award of the union's proposals. The Court held that, although the union's demand regarding "minimum manning" was improperly included in the "last and best offer" arbitration award, the remaining portions are valid and should be enforced since (1) there is no practical difficulty in enforcing those portions without the minimum manning provision and (2) the arbitration panel's written opinion

indicates that the union's offer would have been chosen even if the "minimum manning" provision had not been included. Payment to the union of interest from the day the judgment enforcing the award was issued is appropriate.

In *School Committee of Wellesley v. Labor Relations Commission*, 379 NE2d 1077 (July, 1978), the Court held that the Labor Relations Commission's finding that a bargaining unit consisting of school principals, assistant principals, directors, coordinators, and department heads were not managerial public employees within the meaning of M.G.L. chapter 150E § 1 was not arbitrary or capricious. Unit members participated in formulation of policy in a merely advisory capacity, did not participate to a substantial degree in collective bargaining, and were responsible for administering the agreement in an initial rather than in an appellate capacity, and therefore, were not managerial employees, according to the Court.

In *Ghiglione v. School Committee of Southbridge*, 378 NE2d 984 (July, 1978), the Court held that the open meeting law does not apply to collective bargaining, which, under M.G.L. chapter 39 § 23B may be held in closed executive sessions. Collective bargaining sessions encompass not only negotiation of the agreement but also resolution of grievances arising under it and therefore are not covered by the open meeting law.

In *Massachusetts Board of Regional Community Colleges v. Labor Relations Commission*, 388 NE2d 1185 (April 1979), the Court upheld the Massachusetts Labor Relations Commission's decision that a teacher who was active in organizing Community College teachers, was on their bargaining team, and then became union president, was discharged *solely* because of his union activity, in violation of General Law chapter 150E § 10(a) (3). Furthermore, the Court stated that the remedy of reinstatement with back pay subject to judicial enforcement and review was properly ordered. Although General Law chapter 150E § 11 took effect after the date of the employee's discharge, its application to cases pending on its effective date is appropriate.

In *School Committee of Boston v. BTU*, 389 NE2d 970 (May, 1979), the Court held that matters regarding educational policy are within the control of the School Committee and are not subject to the duty to bargain, and arbitral awards holding that a contractual duty to bargain exists may be vacated. However, courts should not intervene unless the arbitrator's award substantially interferes with the school committee's ability to formulate and administer educational policy. In this case, the Court held that the arbitrator's award requiring the school committee to bargain with the union before implementing final examinations for elementary school students did not interfere with educational policy.

In *Southern Worcester County Regional Vocational School District v. Labor Relations Commission*, 389 NE2d 389 (May, 1979), an appeal was taken by the union from a Superior Court judgment overruling the findings of the Labor Relations Commission that both the company and the union had committed unfair labor practices during negotiation of a successor contract. The Commission found that the Union had violated M.G.L. chapter 150E by breaking the ground rules adopted at the outset of negotiations and by refusing to bargain

when the school committee offered to comply with those rules. The School Committee, by granting a unilateral wage increase, by conditioning negotiations on disclosure of the identity of the union's bargaining representatives, by offering implied threats of reprisals against teachers coming up for tenure, by reprimanding teachers who lawfully distributed leaflets, and by directing the removal of documents from faculty mailboxes, had likewise violated Chapter 150E. The Court held that all of the Commission's findings were supported by substantial evidence and must be upheld, and reversed the Superior Court's judgment.

Finally, in *Westinghouse v. Director of Employment Security*, S.1572 (May 7, 1979), the Court held that employees who were locked out by Westinghouse at its broadcast facilities which continued to operate during the lockout were entitled to unemployment compensation benefits under the Massachusetts law.

IV. Conclusion

Labor law continues to be an important area for labor unions. On a federal level, court decisions involving the duty of fair representation, affirmative action, NLRB jurisdiction and interpretations as well as ERISA problems will continue to face unions for some time. On a state level, public employee cases will predominate along with those areas which are not pre-empted by federal law. Unions will have to continue to be vigilant and experienced in protecting not only the rights of the individual but also the entity of the union to preserve the integrity of the collective bargaining process.

REPORT ON SCHOLARSHIP PROGRAM 1979

The 21st Annual Scholarship Award Program was conducted in all high schools throughout Massachusetts on Wednesday, April 4, 1979, and the number of students participating exceeded that of 1978 as well as an increase in the total monetary awards.

The students were asked to give their ideas and also, spell out a course action on how to guide our country through the next decade on President Carter's NEW ECONOMIC PROGRAM designed to reduce the rate of inflation without bringing economic growth to a halt.

Top Award Winners of the 1979 Scholarship Program Were:

John F. Kennedy Memorial Award, \$1,000.00 — Peter Wilbur of Middleborough High School, Middleborough, Mass.

Francis E. Lavigne Memorial Award, \$1,000.00 — Anne Murphy of Cathedral High, Springfield, Mass.

Brands Mart Company Award, \$1,000.00 for four (4) continuous years — Christine E. Iwanecki of Cathedral High School, Springfield, Mass.

American Income Life Insurance Co. Award, \$750.00 — Matthew C. Whitney of Cathedral High School, Springfield, Mass.

Salvatore Camelio Memorial Award, \$500.00 — Isabella Buonara of Norwood High School, Norwood, Mass.

James W. DeBow Memorial Award, \$250.00 — Guy Gala of Lynn English High School, Lynn, Mass.

N.E.E.S., Mass. Electric Co. Award, \$500.00 — Corrine Corso of Williston-Northampton Academy, Easthampton, Mass.

Massachusetts State Council of Carpenters, \$500.00 for four (4) continuous years, two (2) Awards given — Mark Brideau of Lynn Classical High School, Lynn, Mass. and Charles Griffin of Lunenburg High School, Lunenburg, Mass.

Massachusetts State Conference of Bricklayers "John F. Tracy Memorial Award" \$1,000.00 — Margaret Burchell of Quincy High School, Quincy, Mass.

Judges for the examination were: Joseph P. O'Donnell, Executive Director, Harvard Trade Union Program; Franklin J. Murphy; John F. O'Malley, Regional Director AFL-CIO; Jasper Grassa, North Shore Labor Council; Ethel Fohrder, Massachusetts Federation of Teachers; John J. Havey, Inter'l Rep. I.B.E.W., Retired; Frank Myers, Staff Representative of AFL-CIO, Regional Office and Rev. Edward Boyle, S.J., Associate, Institute of Industrial Relations, Archdiocese of Boston, Mass.

REPORT ON SCHOLARSHIP PROGRAM 1980

Massachusetts State Labor Council, AFL-CIO to embark on 1980 Annual Scholarship Program.

With awards ranging from \$100.00 to the John F. Kennedy Memorial Scholarship of \$1,000.00, affiliates of the Council as well as private companies have been instrumental in making possible the opportunity for students to be awarded the necessary financial assistance towards high education.

Many of the awards are restricted to the sons or daughters of members of a particular Union or sponsored by a member of the Union.

However, the Kennedy — Lavigne — Camelio — DeBow Memorial Awards as well as American Income Life — Brands Mart Co. Award — N.E.E.S. Mass. Electric Co. are open to all senior students of high schools throughout Massachusetts.

NAMES OF COMMITTEE MEMBERS

Joseph P. O'Donnell, Chairman, Executive Director Harvard University Trade Union Program; John Casey, I.B.E.W., Local #545; Ethel Fohrder, Massachusetts Federation of Teachers; James R. Grande, International Union of Operating Engineers, Local #4; Erika Pineault, AFSC&ME, Local #95; Michael Tarallo, Laborers Union, Local #22 and John A. Callahan, Director.

PROCEDURES

Participation in the 1980 Scholarship Program of the Massachusetts State Labor Council, AFL-CIO, is voluntary. STUDENTS DESIRING TO TAKE THE EXAMINATION SHOULD APPLY TO THEIR HIGH SCHOOL PRINCIPAL OR TEACHERS PRIOR TO MARCH 10, 1980. Principals will forward to the office of the Director of COPE, 6 Beacon St., Boston, Mass., the number of senior students desiring to take the examination NOT LATER THAN MARCH 17, 1980. Examination papers and instruction sheets for supervising teachers will be forwarded to all participating schools. Completed examination papers of participating students must be returned WITHIN TWENTY-FOUR HOURS after the examination is given at the high school. Each examination paper MUST BEAR THE SIGNATURE OF THE PRINCIPAL, DEPARTMENT HEAD OR THE EXAMINATION SUPERVISOR.

1. BASIS OF AWARDS: A Competitive examination dealing with "ORGANIZED LABOR IN AMERICA". (Examination to be given to applicants in local high schools under supervision on Wednesday, APRIL 2, 1980).

2. SCOPE OF EXAMINATION: History and Structure of the Labor Movement in America — Legislation affecting the American Worker — Child Labor Laws — Protection of Women in Industry — Minimum Wages — Civil Rights — Social Security — Old Age and Health Insurance — Unemployment Compensation — Workmen's Compensation — Current Labor Events.

3. Central Labor Council Area Award Winners shall be selected from the Honorable Mention List submitted by the judges. The student from the Central Council Area who rates highest shall be adjudged the winner of the Area Award.

4. Local Union Award Winners will be selected from the Honorable Mention List submitted by the judges. The student complying with the local union limitation prescribed and rating highest in the examination shall be adjudged the winner of the Local Award.

CUMULATIVE AWARDS TO A STUDENT NOT TO EXCEED \$1,000.00



REPORT ON HARVARD TRADE UNION PROGRAM 1979

The Harvard Trade Union Program interviews were held on April 2, 1979, at the office of the Massachusetts State Labor Council, AFL-CIO. Conducting the interviews were: Joseph P. O'Donnell, Executive Director, Harvard Trade Union Program; Ethel Fohrder, Massachusetts Federation of Teachers and Ronald Rosenbaum, Executive Assistant, Commonwealth of Massachusetts, Department of Education.

Those selected were: David Mortimer, Iron Workers, Local #501; Thomas G. Gannon, Carpenters, Local #67 and Corrine Zenga, I.B.E.W., Local #2313.

There are two Fellowship Awards: The Robert J. Watt Fellowship and the Harvard Trade Union Alumni Memorial Fellowship. The first was established as a permanent yearly fellowship at the 61st Convention of the Former Massachusetts Federation of Labor to perpetuate the memory of Robert J. Watt, who as Secretary-Treasurer of the Federation, had urged the establishment of a program at Harvard University for the training of trade unionists in administrative and executive fields, which eventually culminated in the establishment of the Harvard Trade Union Program. The winner of the Fellowship attend the Fall Session of the Program starting in September.

The second Fellowship is dedicated to the memory of outstanding leaders of the trade union movement in Massachusetts who themselves believed in training the leadership of local unions so that they, in turn, could enlighten the membership of their organization. The winner of this Fellowship attends the Spring Session, which starts in February. The two fellowships are equal in value and opportunity. Recipients of each fellowship receives an honorarium of \$2,500.00 to cover expenses of tuition, meals, books, medical and other required fees. The remainder will offset, in part, loss of wages during 13 week class that the fellow has to attend at Harvard University.

The purpose of the program is to extend to trade unionists the same basic type of training for administrative responsibility which is available to men in public service or in private industry.

Subjects taught in the trade union course include: Problems in Labor Relations, Economic Analysis, Labor Law and Arbitration, Trade Union Administration, Organization and Contemporary Problems, Wage Administration and Benefit Programs, American Labor History and International Labor Affairs and Trade Union Communication. In addition to the two Fellowships, the Alumni Association on occasion award additional.

HOW TO APPLY

(a) Applicants shall prepare papers summarizing their respective background and experience in the Trade Union Movement.

(b) Applicants must designate the manner in which they intend to apply the training received.

(c) Application must be accompanied by a letter from the President of the Local Union or Central Body in which the participant is a member or delegate in good standing.

(d) Each applicant must appear before the Advisory Board for a personal interview. The personal interview will be held by the Advisory Board on April 7, 1980.

As to who may apply, every trade unionist is offered the opportunity to qualify for the training offered in the fellowship program provided that he or she is a member of a local union affiliated and in good standing with the Massachusetts State Labor Council, AFL-CIO. No specific educational qualifications are required. The University is primarily interested in having the unions send men and women of intelligence and practical experience, who are dedicated to the labor movement and who expect to spend their careers in its service.

For information relative to the course, write or call: Joseph P. O'Donnell, Executive Director, Harvard University, Trade Union Program, Sherman Hall, Boston, Massachusetts 02163, Telephone: 495-6468.

Applications must be submitted prior to MARCH 28, 1980 and sent to the attention of John A. Callahan, Department of COPE and Education, Massachusetts State Labor Council, AFL-CIO, 6 Beacon St., Room 720, Boston, Massachusetts, 02108.

STANDING COMMITTEE REPORTS

REPORT OF COMMITTEE ON ALCOHOLISM

Members: Chairman Frank T. Broderick, Joseph Joyce, Peter Faherty, William F. Murphy, Myles McCarthy, Frank Sullivan, Arthur DePietro, Donald Duffy, Robert Smith, Donald O Shea, William McKenzie, William Smits, George Williams, Thomas Welsh, Paul Fraser, Joseph P. Scaddings.

This is the beginning of the sixth year as a standing committee of the Mass. State Labor Council, AFL-CIO.

In the past year this committee has increased in numbers and also in dedicated action in the field of alcoholism.

More of our committee members have become labor representatives on various councils and agencies involved in the area of alcoholism to protect the interest and concern of labor people.

This year much time was spent at the State House lobbying for and against several bills pertaining to the treatment of alcoholism. Since this disease affects not only some of our brothers and sisters, but also directly and indirectly members of our families and also the community. The committee is keeping a vigilant and close eye on all legislature involving this disease.

Once again our annual labor-management alcoholism seminar held in May at Stonehill College was highly successful, financially and well attended.

The committee would like to express our gratitude to William J.P. Cleary, President of the Mass. State Labor Council, AFL-CIO for his great cooperation and support of this committee.

Also we would like to thank Sec.-Treas. James P. Loughlin, Bert Farnham, Publicity Director and the staff of the Mass. State Labor Council for all their support and cooperation to the Committee on Alcoholism.

Fraternally yours,

Frank Broderick, *Chairman*
Richard Cirillo, *Secretary*

REPORT OF COMMITTEE ON HOUSING

Members: Wm. J.P. Cleary, *Chairman*; John Cotter, John Damery, Carmine D'Olympio, Henry Khoury, Joseph Lydon, Nicholas Magliano, Charles Spillane, Antonio Svizzero, Michael Tarallo and John A. Callahan, *Director*.

The drastic January decline in housing starts — marks the beginning of the expected housing slump. It will aggravate the already existing, major national housing crunch.

Not enough homes are being built to meet demand, forcing up housing prices and rents. Interest rates continue to climb, making housing unaffordable for millions of families. The net result of a decline in residential construction will be increases in unemployment, starting in the construction trades and rippling throughout the economy in industries which produce and distribute housing materials. Each year the nation needs 1.55 million housing units just to accommodate new households. In addition, more units must be built to provide for mobility through higher vacancy rates and to replace units lost due to demolition, fire, flood and other disasters. Thus, there is a total annual need for 2.4 million units, without any allowance for replacement of sub-standard units which are presently occupied. An estimated five million occupied housing units have serious physical deficiencies and should be replaced or rehabilitated within a reasonable time period. Thus, the annual housing requirement is three (3) million new or rehabilitated units.

Since 1973, the average annual total of new housing unit starts was less than 2 million per year, including 330,000 mobile home shipments. The result of this shortfall of one million housing units a year is inflationary. It is also socially unacceptable because it forces millions of low- and moderate-income families, the elderly and minorities to endure inadequate and often substandard housing conditions.

Because a recession in the housing industry always precedes general economic declines, the AFL-CIO urges strong action to boost housing production and maintain it at a high enough level to meet current and future needs. Specifically, we support:

- Releasing the \$1 billion in standby authority for emergency assistance for the Government National Mortgage Association for single-family homes as soon as a depressed housing market threatens.

- Reducing the 7½ percent ceiling on mortgage interest rates under tandem plan financing to 6 percent. The law — Title III of the National Housing Act, Section 313 — only stipulates that a mortgage interest rate of 7½ percent is the most that can be charged. Therefore, legally, there is no reason why the interest rate could not be lowered.

- Lowering the interest rates for HUD Section 235 homebuyers from the current 4 percent to the 1 percent statutory minimum. Such an action would enable low-income families to buy homes, thus, stimulating the production of tens of thousands of additional assisted homeownership units.

- Authorization by the President for the Federal Reserve Board to implement the Credit Control Act of 1969. Under that Act, the FRB could exercise selective credit regulation measures for the purpose of preventing housing from bearing the brunt of tight money policies. Currently, the homebuilding industry is beginning to decline as money tightens and mortgage interest rates rise. At the same time, large amounts of credit are extended for corporate takeovers of companies, for foreign industries, and for international money market speculation and other non-essential purposes. Selective credit regulation would make many of these housing support programs less necessary because lower interest rates would enable more people to obtain housing without subsidy.

- Institution of mortgage revenue bond programs by municipalities. These tax-exempt revenue bonds would be used to finance low-interest mortgages, but the benefits should be restricted to families who cannot afford to pay private market rates.

- Establishing a Federal Housing Bank. Such a bank would assure that loans will be available at 5 to 6 percent interest — and under special circumstances at lower rates — for families below a given income level.

- Increasing the authorization for the debt service and operating subsidy programs in the Housing and Urban Development and Farmers Home Administration. Such programs assist low-and moderate-income families in acquiring homes and meeting monthly payments.

- Increasing the authorization for the Public Housing program, which provides rental housing for low-income families and elderly individuals in projects owned by local public housing authorities.

- Increasing the authorization for Section 8 Rental Housing Assistance to support additional units. This program provides low- and moderate-income families with leased standard rental housing units in privately-owned structures, employing a flexible subsidy, so that increasing utility and other operating costs can be met without raising costs of low-income tenants.

MASSACHUSETTS STATE LABOR
COUNCIL, AFL-CIO

REPORT ON AUDIT

JUNE 30, 1979

M. G. SHERMAN & CO.

ACCOUNTANTS AND AUDITORS

18 TREMONT STREET

BOSTON, MASS. 02108

Massachusetts State Labor Council, AFL-CIO
Six Beacon Street
Boston, Massachusetts 02108
Gentlemen:

We have examined the balance sheet of the Massachusetts State Labor Council, AFL-CIO as of June 30, 1979, and the related statement of revenue collected and expenses paid for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet at June 30, 1979, and the statement of revenue collected and expenses paid for the fiscal year then ended, and related schedules, present fairly the financial position of the Massachusetts State Labor Council, AFL-CIO at June 30, 1979, and the results of its operation for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year.

Certified Public Accountants

Boston, Massachusetts
August 3, 1979



MASSACHUSETTS STATE LABOR COUNCIL, AFL-CIO
BALANCE SHEET — JUNE 30, 1979

	C.O.P.E. Funds	General Funds	Total
ASSETS			
Current assets:			
Cash in banks and on hand . . .	\$ 47,083.20	\$164,519.89	\$211,603.09
Dues receivable	2,335.32	28,023.84	30,359.16
Deposits		425.00	425.00
	<hr/>	<hr/>	<hr/>
Total current assets	49,418.52	192,968.73	242,387.25
Other assets:			
Bonds		1,000.00	1,000.00
		<hr/>	<hr/>
Total assets	<u>\$ 49,418.52</u>	<u>\$193,968.73</u>	<u>\$243,387.25</u>

LIABILITIES AND NET WORTH

Liabilities:			
Accounts payable	\$ 336.81	\$ 42,262.42	\$ 42,599.23
Payroll withholdings		4,047.12	4,047.12
Union dues payable		2.00	2.00
Taxes payable		1,814.89	1,814.89
	<hr/>	<hr/>	<hr/>
Total liabilities	336.81	48,126.43	48,463.24
Deferred credits:			
Dues paid in advance	117.99	1,415.97	1,533.96
1979 year book advertising (net after expenses)		8,898.40	8,898.40
		<hr/>	<hr/>
Net worth	<u>48,963.72</u>	<u>135,527.93</u>	<u>184,491.65</u>
Total liabilities and net worth	<u>\$ 49,418.52</u>	<u>\$193,968.73</u>	<u>\$243,387.25</u>

MASSACHUSETTS STATE LABOR COUNCIL, AFL-CIO

Statement of Revenue Collected and Expenses Paid
For the Year Ended June 30, 1979

	C.O.P.E. Funds	General Funds	Total
Revenue collected:			
Per capita tax	\$ 55,551.72	\$375,268.81	\$430,820.53
Alcoholism seminar		679.58	679.58
Gompers-Murray Educational Institution	11,100.28		11,100.28
Interest	1,354.12	6,957.14	8,311.26
1978 year book advertising		12,476.33	12,476.33
Voter registration	250.00		250.00
Total income	68,256.12	395,381.86	463,637.98
Expenses:			
Christmas gifts expenses		6,728.00	6,728.00
C.O.P.E. election travel and other expenses	43,439.92		43,439.92
1978 convention expenses (schedule)		20,935.11	20,935.11
Donations		2,395.00	2,395.00
Dues		524.00	524.00
Employee benefits (schedule)		45,134.78	45,134.78
Executive Council and expenses		15,695.81	15,695.81
Flowers		930.89	930.89
Gompers-Murray Educational Institution		1,260.00	1,260.00
Handicapped awards		650.00	650.00
Insurance		355.65	355.65
Interest		2.02	2.02
Labor Day expenses		182.67	182.67
Messenger expenses		314.44	314.44
Miscellaneous expense		28.70	28.70
Newsletter expense		4,386.75	4,386.75
Office equipment		7,224.07	7,224.07
Office expense		2,077.07	2,077.07
Office supplies		7,234.98	7,234.98
Outside labor		1,982.84	1,982.84

	C.O.P.E. Funds	General Funds	Total
Penalties		161.95	161.95
Postage		5,863.42	5,863.42
Printing and stationery		9,379.01	9,379.01
Professional services		9,391.90	9,391.90
Rent and light		16,747.96	16,747.96
Salaries:			
Secretary-treasurer		29,554.20	29,554.20
C.O.P.E. director		27,898.00	27,898.00
Legislative director		26,163.80	26,163.80
Public relations director		25,653.80	25,653.80
Liaison officer		1,500.00	1,500.00
Clerical		43,232.00	43,232.00
Strike fund		1,600.00	1,600.00
Subscriptions		329.35	329.35
Taxes — payroll		9,750.88	9,750.88
Taxes — other		632.25	632.25
Telephone		5,606.81	5,606.81
Tickets		7,769.25	7,769.25
Travel and other expenses:			
President		5,495.23	5,495.23
Secretary-treasurer		6,965.48	6,965.48
Legislative department		4,341.17	4,341.17
Liaison officer		160.40	160.40
Public relations department		6,589.99	6,589.99
Union label		2,000.00	2,000.00
Water and towels		203.50	203.50
Workmen's compensation booklets		139.10	139.10
Total expenses	<u>\$ 43,439.92</u>	<u>\$365,172.23</u>	<u>\$408,612.15</u>
Excess revenue over expenses	24,816.20	30,209.63	55,025.83
Net worth — July 1, 1978	<u>24,147.52</u>	<u>105,318.30</u>	<u>129,465.82</u>
Net worth — June 30, 1979	<u><u>\$ 48,963.72</u></u>	<u><u>\$135,527.93</u></u>	<u><u>\$184,491.65</u></u>

MASSACHUSETTS STATE LABOR COUNCIL, AFL-CIO

Statement of Membership
For the Year Ended June 30, 1979

Affiliated organizations — July 1, 1978	675
Add: affiliated organizations accepted during year	<u>45</u>
	720
Deduct: affiliated organizations lost during year (by mergers, withdrawals, suspensions, etc.)	<u>69</u>
Affiliated organizations — June 30, 1979	<u>651</u>

Schedules
For the Year Ended June 30, 1979

1978 year book:

Income:		
Advertising receipts		\$43,931.75
Expenses:		
Commissions and materials	\$30,751.72	
Federal income tax	<u>703.70</u>	<u>31,455.42</u>
		<u>\$12,476.33</u>

1978 convention:

Income:		
Registration fees		\$ 9,400.00
Expenses:		
Hotel rooms, meals, gratuities, etc.	\$19,707.48	
Badges and plaques	5,540.73	
Signs and printing	1,331.40	
Entertainment	1,350.00	
Miscellaneous	2,331.50	
Maintenance	<u>74.00</u>	<u>30,335.11</u>
		<u>\$20,935.11</u>

Employee benefits:

Pension	\$32,000.00
Blue Cross/Blue Shield	11,164.16
Life insurance	1,772.32
Medical insurance — Social Security	<u>198.30</u>

\$45,134.78

Professional services:

Legal	\$ 5,878.90
Audit	2,925.00
Actuarial	<u>588.00</u>

\$ 9,391.90

MASSACHUSETTS STATE LABOR COUNCIL, AFL-CIO

Notes to Financial Statements
June 30, 1979Cash in banks and on hand — \$211,112.41

All entries for cash were checked against bank deposits and cancelled checks. The checking accounts were reconciled with the bank statements as of June 30, 1979, and were confirmed by direct correspondence with the banks. The savings accounts were compared to the pass books, the certificates of deposits were examined and all were confirmed by direct correspondence with the banks. The petty cash fund was reconciled.

The cash consisted of the following:

General funds:		
Petty cash	\$	25.00
Commonwealth Bank & Trust		
Company:		
Benefit plan	\$	1,126.89
General fund		103,706.59
Year book		<u>5,606.48</u>
		110,439.96
Provident Institution for		
Savings:		
Savings account		45,704.73
Certificate of deposit —		
due 4/11/83		<u>6,953.79</u>
		52,658.52
Commonwealth Bank & Trust		
Company:		
Certificate of deposit —		
due 10/18/79		<u>1,396.41</u>
Total general funds		\$164,519.89
Restricted funds:		
Commonwealth Bank & Trust		
Company:		
Voter registration fund		35,195.52
Provident Institution for		
Savings:		
Voter registration fund		<u>11,887.68</u>
Total restricted funds		<u>47,083.20</u>
Total cash		<u><u>\$211,603.09</u></u>

The voter registration fund is restricted and may be used for political, educational and administrative expenses within the provisions of state and federal laws.

Dues receivable — \$30,359.16

This item represents unpaid per capita dues at June 30, 1979 and includes \$2,335.32 for C.O.P.E. As collections are made, the dues allocable to C.O.P.E. are transferred to a C.O.P.E. restricted cash account. None of the receivables with member organizations were verified by correspondence.

MASSACHUSETTS STATE LABOR COUNCIL, AFL-CIO

Notes to Financial Statements
June 30, 1979

Accounts payable — \$42,599.23

This item represents unpaid liabilities at June 30, 1979, and consisted of the following:

Employee benefits — pension and retirement	\$32,000.00
Dues allocable to C.O.P.E. included in general funds	8,890.56
Miscellaneous expenses	<u>1,708.67</u>
Total	<u><u>\$42,599.23</u></u>

All the above are current and we have been informed that all liabilities of consequence have been included.

Payroll withholdings — \$4,047.12

This item represents taxes withheld from employees and not yet remitted to the various government agencies.

Taxes payable — \$1,814.89

This item represents unpaid taxes as follows:

Social security tax	\$ 764.03
Federal unemployment tax	47.65
Massachusetts unemployment tax	299.51
Federal income tax (1978 year book)	<u>703.70</u>
	<u><u>\$ 1,814.89</u></u>

Deferred credits — \$8,898.40

This item represents income deferred to the next fiscal year. The receipts for the 1979 year book which has not yet been printed amounted to \$29,743.00 and corresponding expenses to \$20,844.60.

NOTES

